

The War and the Outlook for Securities

is the title of pamphlet just prepared by us for distribution among our customers. It discusses in a concise and interesting way the effects of the war on trade, and the relation of the war to the current prices of securities. Those interested may have a copy by sending for pamphlet No. D-101.

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EXPORTS OF MERCHANDISE

Exports of merchandise from the port of New York for the week ended November 7, 1914, as follows with the corresponding week a year ago:

FINANCIAL NEWS

WALL STREET COMMENT

Favorable Effect of War Happenings Are Witnessed in Wall Street.

EASY MONEY PROSPECT

War developments directly influenced financial sentiment and events yesterday. The elimination of two German sea raiders and the tenor of advice about land operations could hardly fail of a favorable reflection in a community where the preponderance of sympathy is decidedly on the side of the Allies. Quite aside from the fact that the news about the Emden and Königsberg tended to make the financial and commercial situation somewhat less difficult.

Cable despatches reported a prompt fall in marine insurance rates in London and to the extent that allied control of the seas is asserted it may be expected that insurance handicaps on ocean borne commerce will be reduced. The fact that the United States has sent \$13,000,000 to non-interference with neutral shipping are also propitious for our prospects of business recovery, which depend so much on the assistance rendered by our foreign trade in changing an international debt balance to a credit balance. (If and as the safety of the seas become assured the greater certainty of international commercial transactions would tend to bring about a more liberal exchange of money in the international exchanges, and this was one factor in causing sterling bills to ease off again yesterday.

Financially it might be noted that German exchange has fallen to a new low price, marks being quoted around 87 1/2, both for demand and cables. It may be that the phenomenal weakness of German exchange is the result of the fact that the German government has been unable to obtain the necessary foreign exchange to meet its needs.

Demand sterling fell around 4.00 1/2 and lower, with cables a half cent higher. Apart from the influences already referred to there is no doubt that reaction in sterling markets will be hastened by the completion of another stage of the New York city loan operations. The call for the eighth instalment of the subscriptions to the loan, involving \$1,000,000, has been made. The total transfers to Ottawa since the outbreak of the war more than \$70,000,000 and bringing the country's aggregate exports for the year up to not far from \$220,000,000.

This, in all conscience, is an exhibition of solvency and good faith which could hardly fail to produce a helpful impression in London, where so many American obligations are held, and it is not surprising that the further purchases of exchange on the New York city loan account have been accomplished without any very serious fall in the level of the exchange market. It is reasonable to suppose that with varying terms sterling bills will move more or less persistently downward if the fortunes of war are not completely reversed. It is probably unnecessary to assume that the Paish-McAdoo negotiations will have to end in the adoption of any very experimental expedients to put international financial dealings on a sure footing.

The country's foreign trade outlook induces optimism in this respect. So does the approaching establishment of the Federal Reserve Bank. Calculations as to the large release of reserves to result from the inauguration of the new banking system may be more or less confounded by the actual transfers of cash, but any case the new financial authorities will make it possible to adjust credits to the necessities of foreign gold payments practically as though none of the gold exports of the year so far had been made.

Anticipations of increasing monetary ease on account of the new banking system were further evinced yesterday in various directions. Call money in New York fell to 1 1/2 per cent, and in London at rates of interest below 5 per cent. were in circulation and it seemed evident that the owners of the money would be willing to let it grow and compulsion to find employment for their money. Stocks in the irregular street market displayed strength and investment securities were active and strong. The market was particularly true of short time obligations headed by the New York city notes, which approximated a 4 1/2 per cent. basis.

Agreement was made in completing the agreements on which the reopening of the cotton exchanges depends. The grain markets were all reactionary because of too much speculating. Buying, recently, and net weekly port figures for New York showed an export increase of \$1,341,000 over the figures for the corresponding week last year. Inference about the trade and industry was less gratifying.

GOSSIP OF WALL STREET.

The Public and Stocks.
It is admitted that financial conditions have improved recently and that sentiment has been correspondingly buoyant. It is also admitted that this improvement is only relative. Sentiment, for instance, is far less optimistic now than it was the first week or so after the exchange closed. Then the significance of that development was not appreciated. Now it is better realized.

Nothing is heard now of an accumulation of buying orders in brokers' offices to be executed on the reopening. It used to be accepted as inevitable that the exchange would reopen on a rising market and a certain amount of play would be left over the fact that bear speculators caught short of the market.

Observers who pretend to know assert that persons with money will buy heavily upon the reopening of the exchange, but it is no longer argued that it is simply the closing of the exchange that is preventing them from doing so. There is no evidence of an overwhelming desire to buy stocks or even considerably below the July 30 prices. Apparently the inference is that intending buyers admit the possibility of the market opening on a decline and will wait for a level which is established before committing themselves.

Special Loans.
The average rate charged for stock loans is still 6 per cent. in spite of the fact that much lower rates are frequently mentioned. Rates of 5 and even 4 1/2 per cent. have been heard in the last few days. These are altogether exceptional transactions. They are made to favored borrowers and upon unusual terms as regards the collateral. In one case the collateral consisted of the entire of \$1,000,000 of city notes. The funds available at other than the average rate are too small to influence the market as a whole, even if the terms were not much stiffer.

Policy of Secrecy.
However necessary it may be, the policy of keeping secret the prices at which business is being done in securities is not without its disadvantages. The following letter received by THE SUN from a national bank in Pennsylvania explains itself.

"Dear Sirs: Cannot you publish in your Wall Street edition a table each evening showing the closing prices of Standard Oil stocks with summary trading during the day? The prices of these stocks in the majority of cases are higher than on July 30 and the market appears to be an open one. The buyers of the stocks are at the present time under present conditions. Yesterday value of one stock was made at one time from two offices and were three points apart."

Trading in Oil Stocks.
Trading in the oil stocks is still supposed to be done under the supervision of the committee on unlisted securities, which is a committee of the New York Stock Exchange. This committee practically limits trades to the July 30 prices. But many dealers in the oil shares have come to disregard the authority of the committee and do business in the open market in an unrestricted way.

This development of the market is said not to have resulted in any great decline in the level of prices. Further, it would be threatened by the publication of the prices made in unrestricted trading in the oil group than in the case of other securities. The trading in oil shares has always been a cash market and few of them are held in collateral loans. Nevertheless the reasons which made the policy of complete secrecy advisable in the first place are as strong as ever.

Public Utilities.
The Columbus Railway, Power and Light Company is showing good gains for September and October, 1914, compared with the same months last year. The operating ratio has also been lowered, being 58 per cent. for September, compared with 62 and 64 per cent. for the corresponding months of 1913. For the first seven months of the current year the company showed earnings at the rate of 10.5 per cent. on the common stock, while for the ten months ended October 31 earnings were at the rate of 6.6 per cent. on the common stock. The company's earnings for the first seven months of the current year were \$1,100,000, compared with \$1,000,000 for the same period last year. The balance for the month of October was \$125,000, compared with \$144,000 in September.

Short Term Notes.
The Southern Power Company, which at present develops 10,000 hydroelectric units, is planning to build a 10,000-horsepower auxiliary steam plant at Chattanooga, Tenn. Plans for the construction of the new plant have been made and part of the machinery has been ordered. The new plant will cost about \$500,000. The transmission lines of the company extend 1,000 miles. The company's earnings for the first seven months of the current year were \$1,100,000, compared with \$1,000,000 for the same period last year. The balance for the month of October was \$125,000, compared with \$144,000 in September.

Grain Earnings of the Keystone Telephone Company for October were \$110,400, an increase of \$1,100. Operating expenses amounted to \$1,100,000, compared with \$1,000,000 for the same period last year. The balance for the month of October was \$125,000, compared with \$144,000 in September.

A Special Investment Letter

The changes in investment conditions brought about by the European War have made it possible to offer many of the highest grade securities at especially attractive prices.

We have prepared a special letter describing four selected securities of the best investment type—each representative of its class—which we offer on an average income basis of approximately 5.17%.

Two of the securities in this list are a legal investment for savings banks and trustees in the State of New York.

We shall be glad to send you a copy of this letter upon request.

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THE STEEL MARKET.

U. S. Corporation's Unfilled Tonnage Shows 326,570 Tons Decrease.
Unfilled tonnage on the books of the United States Steel Corporation on October 31 was 4,313,231 tons, a decrease of 520 tons as compared with the statement of September 29. Unfilled tonnage on August 31 was 4,313,231 tons; July 31, 4,155,583 tons; June 30, 4,032,857 tons; May 31, 3,999,150 tons; and October 31, 1913, 4,313,267 tons.

The decrease in tonnage while smaller than reported at the end of September does indicate that new orders were booked in larger volume during October. On the contrary new business fell to lower levels during the month, but the sharp reduction in mill schedules made the prospect of working off orders on books a little slower.

Not since June 30, 1911, have unfilled orders fallen as low as they were on October 31. The loss was at a price level of about 12,100 tons, and based on the present rate of mill operations incoming business was at the rate of not much more than 15,000 tons. The following tabulation shows the unfilled tonnage of the corporation by month since June 30, 1910:

Period.	Unfilled Tonnage.	Period.	Unfilled Tonnage.
Oct. 31, 1914.	4,313,231	July 31, 1912.	5,957,079
Sept. 30, 1914.	4,313,231	June 30, 1912.	5,957,079
Aug. 31, 1914.	4,313,231	May 31, 1912.	5,957,079
July 31, 1914.	4,313,231	Apr. 30, 1912.	5,957,079
June 30, 1914.	4,313,231	Mar. 31, 1912.	5,957,079
May 31, 1914.	4,313,231	Feb. 29, 1912.	5,957,079
Apr. 30, 1914.	4,313,231	Jan. 31, 1912.	5,957,079
Mar. 31, 1914.	4,313,231	Dec. 31, 1911.	5,957,079
Feb. 29, 1914.	4,313,231	Nov. 30, 1911.	5,957,079
Jan. 31, 1914.	4,313,231	Oct. 31, 1911.	5,957,079
Dec. 31, 1913.	4,313,231	Sept. 30, 1911.	5,957,079
Nov. 30, 1913.	4,313,231	Aug. 31, 1911.	5,957,079
Oct. 31, 1913.	4,313,231	July 31, 1911.	5,957,079
Sept. 30, 1913.	4,313,231	June 30, 1911.	5,957,079
Aug. 31, 1913.	4,313,231	May 31, 1911.	5,957,079

DAIRY PRODUCTS MARKET.

BUTTER.—Fresh butter was up yesterday, but held was unchanged. Processed butter was up, and is easily taken on orders before arrival. Production is at its lowest point. There is a moderate trade in butter. The free use of milk. Process butter is a freer movement. Ladies' brand, good packing stock waterbury. Creamery butter, 82 to 84, 86, 88, 90, 92, 94, 96, 98, 100, 102, 104, 106, 108, 110, 112, 114, 116, 118, 120, 122, 124, 126, 128, 130, 132, 134, 136, 138, 140, 142, 144, 146, 148, 150, 152, 154, 156, 158, 160, 162, 164, 166, 168, 170, 172, 174, 176, 178, 180, 182, 184, 186, 188, 190, 192, 194, 196, 198, 200, 202, 204, 206, 208, 210, 212, 214, 216, 218, 220, 222, 224, 226, 228, 230, 232, 234, 236, 238, 240, 242, 244, 246, 248, 250, 252, 254, 256, 258, 260, 262, 264, 266, 268, 270, 272, 274, 276, 278, 280, 282, 284, 286, 288, 290, 292, 294, 296, 298, 300, 302, 304, 306, 308, 310, 312, 314, 316, 318, 320, 322, 324, 326, 328, 330, 332, 334, 336, 338, 340, 342, 344, 346, 348, 350, 352, 354, 356, 358, 360, 362, 364, 366, 368, 370, 372, 374, 376, 378, 380, 382, 384, 386, 388, 390, 392, 394, 396, 398, 400, 402, 404, 406, 408, 410, 412, 414, 416, 418, 420, 422, 424, 426, 428, 430, 432, 434, 436, 438, 440, 442, 444, 446, 448, 450, 452, 454, 456, 458, 460, 462, 464, 466, 468, 470, 472, 474, 476, 478, 480, 482, 484, 486, 488, 490, 492, 494, 496, 498, 500, 502, 504, 506, 508, 510, 512, 514, 516, 518, 520, 522, 524, 526, 528, 530, 532, 534, 536, 538, 540, 542, 544, 546, 548, 550, 552, 554, 556, 558, 560, 562, 564, 566, 568, 570, 572, 574, 576, 578, 580, 582, 584, 586, 588, 590, 592, 594, 596, 598, 600, 602, 604, 606, 608, 610, 612, 614, 616, 618, 620, 622, 624, 626, 628, 630, 632, 634, 636, 638, 640, 642, 644, 646, 648, 650, 652, 654, 656, 658, 660, 662, 664, 666, 668, 670, 672, 674, 676, 678, 680, 682, 684, 686, 688, 690, 692, 694, 696, 698, 700, 702, 704, 706, 708, 710, 712, 714, 716, 718, 720, 722, 724, 726, 728, 730, 732, 734, 736, 738, 740, 742, 744, 746, 748, 750, 752, 754, 756, 758, 760, 762, 764, 766, 768, 770, 772, 774, 776, 778, 780, 782, 784, 786, 788, 790, 792, 794, 796, 798, 800, 802, 804, 806, 808, 810, 812, 814, 816, 818, 820, 822, 824, 826, 828, 830, 832, 834, 836, 838, 840, 842, 844, 846, 848, 850, 852, 854, 856, 858, 860, 862, 864, 866, 868, 870, 872, 874, 876, 878, 880, 882, 884, 886, 888, 890, 892, 894, 896, 898, 900, 902, 904, 906, 908, 910, 912, 914, 916, 918, 920, 922, 924, 926, 928, 930, 932, 934, 936, 938, 940, 942, 944, 946, 948, 950, 952, 954, 956, 958, 960, 962, 964, 966, 968, 970, 972, 974, 976, 978, 980, 982, 984, 986, 988, 990, 992, 994, 996, 998, 1000.

THE COFFEE MARKET.

Prices Easier in Absence of Fresh Buying Orders.
Coffee business transacted yesterday in the spot market and in futures through the liquidating committee was negligible. At the two sessions of the committee 2,250 bags of December changed hands, largely in the way of orders for May and September. Prices were easier in the absence of fresh buying orders. At the close December was quoted at 5.65@5.66; March, 5.50@5.60; May, 6.10@6.11; July, 6.55@6.56; September, 6.95@6.96; November, 7.35@7.36; and December, 7.75@7.76.

MONEY AND EXCHANGE.

Call money ruled between 6 and 7 per cent. Time money ranged from 8 1/2 and 6 per cent. for all maturities. Commercial paper was in fair demand with rates at from 6 to 7 per cent. Domestic exchange on New York: St. Louis, 10c; Chicago, 20c; Cincinnati, 20c; Minneapolis, 10c; St. Paul, 10c; and other cities, 10c. Money in London was 10 1/2 per cent. Sterling exchange declined. Final quotations: Demand, 4.85%; cables, 4.90%.

THE GRAIN MARKETS.

Wheat Overbought—New Crop Sales Depress Corn.
The weakened technical position of the wheat market asserted itself with more vigor yesterday. As soon as it became evident that outside interests were not being impressed with news of bullish trend professional traders liquidated. The commission house offerings were not pronounced. Apparently the recessions of late have not been of sufficient proportions to seriously disturb many of those who are obsessed with the idea that wheat should advance at \$1.00 eventually.

The downward trend of quotations was checked partly by the export trade. Approximately 1,000,000 bushels were reported against 1,221,000 for the corresponding date a year ago. Shipments were only 505,000 bushels. Information has come to hand suggesting that the lighter clearing of wheat cannot be ascribed to incorrect or incomplete reports.

More was heard of the excessively dry weather in Kansas and of the possibilities of considerable Hessian fly damage to the wheat crop. Of course the injury will not show until the spring, and more or less deterioration of this sort is an annual occurrence. While the grain is in the hands of the farmer, it is not likely that the trade will be deeply concerned in the immediate future over the low moisture complaint.

The Liverpool market for wheat. There was a decrease in the world's wheat supply available of about 2,000,000 bushels for the week. Europe now holds 65,000,000 bushels, against 11,000,000 last year; the United States, 75,000,000 against 62,000,000, and Canada, 4,000,000, as compared with 47,000,000 in 1913.

Corn—A more bearish sentiment has permeated the trade. The price list was once more lowered substantially. Exports of close to 400,000 bushels of new corn arrested the reactionary tendency. Very favorable weather and the Government release of 100,000 bushels of corn in the early setback. There was a good supply of farm offerings and the opinion was unanimous that larger receipts would soon be in sight.

Oats—The heaviest of other commodities extended to oats. Liquidation and bear selling was persistent at times. The demand was below expectations and this service had the evidence of a decreased farm movement.

Provisions—There was selling from packers. A better cash demand did not result in a more active market. Some relief in the hog situation is looked for after next week. Chicago prices:

600 Jimmy Extension	.66	.65	.66
100 Mexican Metals	.16	.16	.16
100 New Bull	.16	.16	.16
300 Nevada Douglas	.45	.45	.46
500 Oneco	.38	.35	.35
1000 Pacific	.38	.35	.35
600 United Profit Sh	114	114	114
300 United Verde Est	1	1	1

Following are the closing bid and asked
latations:

Alvaredo	Bid.	Asked
Bay State Gas.	.08	.09
Beagle	.25	.27
Bolshere	.08	.09
Boston Ely	.10	.11
Butte London	.10	.11
Calaveras	.92	.93
Chief Consolidated	.60	.61
Crescent Copper	.92	1.00
Crown Reserve	.92	.93
Davis Daily	.48	.49
Deer Creek	.90	.91
First National	.90	.91
Goldfield Consolidated	.55	.56
Houghton	.90	.91
Iron Blossom	11.16	